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To the Massachusetts Office of The Attorney General  
about the proposed regulations for Daily Fantasy Sports Contest Operators:

The Fantasy Sports Trade Association welcomes this opportunity to submit feedback on the proposed regulations for the Daily Fantasy Sports industry. It's an important set of regulations not just for daily fantasy sports companies, but also for the entire fantasy sports industry.

Since 1998, the FSTA has been the leading representative of the fantasy sports industry. The FSTA represents over 300 member companies, which provide fantasy sports games and software used by virtually all of the 57 million players in North America. The FSTA's members include such major media companies as ESPN, CBS, Yahoo!, NBC, NFL.com, NASCAR Digital Media and FOX Sports, content and data companies such as USA Today, RotoWire, RotoGrinders, Sportradar US and STATS, long-standing contest and league management companies such as Head2Head Sports, RealTime Fantasy Sports, the Fantasy Football Players Championship, MyFantasyLeague and almost every major daily fantasy sports contest company, including FanDuel, DraftKings, FantasyAces and FantasyDraft.

First of all, we'd like to thank you for your approach to working with our industry. Fantasy sports have grown rapidly in popularity the past twenty years fueled by technological innovation that doesn't often fit with centuries old laws. Daily fantasy sports in particular have boomed the last few years along with the growth of mobile devices. That growth has brought our industry new challenges. We look forward to working with you to solve these issues and hope it will be a model for other states across the country to follow.

The FSTA does have some concerns with the proposed regulations especially as it impacts the fantasy sports industry beyond daily fantasy sports. The regulations are problematic for businesses that have been operating in the state of Massachusetts and across the nation without any issues or concerns from governments for more than two decades.

The proposed regulations are problematic for the most popular of fantasy sports formats: free fantasy sports contests. For almost 20 years, companies such as ESPN, Yahoo!, CBS and NFL.com have provided season-long and shorter-duration games for free or a nominal charge. The definition of a Daily Fantasy Sports Operator (DFSOP) is too broad and includes these games, which we don't believe were the intention of the proposed regulations. For example, entities that operate season-long and shorter games (like a playoff contest) shouldn't be under the definition of DFSOP for their whole enterprise if they also offer daily fantasy contests. We believe that these regulations should not cover these long-standing games, and that companies should be allowed to offer both so long as they follow

the regulations for daily fantasy sports contests. The proposed regulations as written may force many of the major free fantasy sports providers to drop their long-standing paid contests or cease operations in the state altogether.

The DFSO exemption for contests lasting an entire season unnecessarily excludes many long-standing fantasy games for such formats as the postseason (11 NFL games), NASCAR, golf, cricket and other competitions. A limit of “at least 200 underlying competitions” does not fit every non-DFS contest.

The FSTA also believes the age at which people should be able to play paid fantasy sports should be 18 years old. At 18 years old you are old enough to vote in this country and make adult decisions. Furthermore, an age limit of 21 years old appears to be tied to gambling products and casinos where the drinking age is a major factor for participation. Fantasy sports are not necessarily played at a physical location, so a similar age limit tied to drinking laws should not apply.

The FSTA is worried about the broad language defining a “Script.” We realize the goal is to minimize an unfair advantage some players could have by using scripts, but too broad a wording will hurt innovation in our industry. There are many research tools and team management programs that help all fantasy sports players and are used in non-DFS contests that could fall under this ban. For example, our industry features many research tools that provide real-time fantasy sports advice and information based on real-time data from live draft rooms. Often some of this data can be exported to a user's fantasy league. Our companies are coming up with mobile apps and web sites to allow for updating rosters of multiple sites in case of injury news, to make entering a full league less work and to include more personalized data in contests. The broadly worded “Automate processes” wording in the “Script” definition could end much of this activity, which does not appear to be the intentions of the proposed regulations.

The definition of a DFSO Contractor is also too broad. Companies that provide data, content and similar services to DFSOs will be subject to all these regulations. We would like to exclude any data or content provider who provides publicly available information that is not customized for the DFSO. The FSTA has over 100 content and data companies that may be limited in their ability to provide services to the growing daily fantasy sports market if labeled as a DFSO Contractor.

The FSTA would also like less onerous rules on consumer deposits. The proposed regulations already have protections for problem gamers and prohibit extensions of credit, both of which should alleviate the need for a monthly limit that our members feel is too low.

Finally, the FSTA also believes that fantasy sports should be allowed for college sports. NCAA football and basketball have been a part of fantasy sports nearly as long as the hobby has been around. For example, RotoWire.com has been providing fantasy college football and college basketball information since the late 1990s. Major media companies such as Yahoo!, CBS and ESPN have offered college football and basketball games with individual player names for decades without any incidents from the players on the field or the college teams themselves. Even with the growing prizes around college fantasy sports games we believe this won't change since fantasy sports don't present the same integrity issues as sports gambling. It's nearly impossible for a player on the field to influence the winner of a paid fantasy sports contest since his or her play is one of a hundred, if not millions of factors. That player would also have to influence the play on the field of not only his or her teammates, but players in other games and to know the rosters and strategies of the fantasy sports contest participants. It's why all the major sports leagues distinguish fantasy spots from sports gambling and why such a gambling sensitive organization as Major League Baseball would invest in a DFS Operator.

These are the major concerns of our more than 300 member companies. However, we would again like to thank you for taking this approach to working with our industry. We believe fantasy sports and daily fantasy sports will continue to thrive in Massachusetts if you can balance the important consumer protection issues you've raised with the ability for our industry to continue to innovate with changing technology; while at the same time limiting the impact on contests that so many residents of

Massachusetts have played safely for years.

Sincerely,

Peter Schoenke  
Chairman